

ARTICLE APPEARED
ON PAGE C8.

NEW YORK DAILY NEWS
12 December 1986

A bonanza for brokers

Canadian link probed in weapons-for-\$ swap

By **ROBERT PARRY**

The Associated Press

WASHINGTON—Brokers and middlemen apparently amassed substantial profits from the Iranian arms sales, complicating congressional investigations into how much money ultimately went to support Nicaraguan rebels, according to U.S. government sources.

The money trail became more complicated following closed-door testimony by CIA Director William Casey.

Foreign Affairs Committee members said Casey surprised the panel with his disclosure that Canadian middlemen were furious last October because they had expected to get as much as \$20 million for their role in the arms deal and still were owed \$10 million.

Canadian complaint

Casey said he received a call about the Canadian complaint in October from a former legal client, Roy Furmark, who also told him that some of the Iranian profits might have been diverted to Central America.

Casey, however, insisted that the CIA had been "meticulous" in its bookkeeping on the original cost of the U.S. weapons—\$12.2 million—with repayment totaling that amount being received in a secret CIA bank account in Geneva, the members said.

What remains unclear is why the Canadians, who re-

portedly were not the middlemen for all four direct U.S. weapons shipments, would have expected as much as \$20 million for their role.

Brokers' role

Government sources said the complex arms deal involved brokers who arranged the deals and investors, like the Canadians, who put up money so the U.S. government would be reimbursed almost immediately for the cost of the weapons.

In exchange for covering the cost of the weapons up front, the investors expected a large profit for their risk, the sources said. A handsome profit also could be made by those involved in transporting the weapons to Iran, the sources said.

"There's money to be made every time you turn around," said one investigator, who added that the layers of arms merchants and brokers have made it difficult to estimate a total cost of the shipments to Iran.

Secord middleman

Retired Air Force Maj. Gen. Richard Secord, president of Stanford Technology Trading Co. and a principal in other firms that have been tied to the arms deal, has been identified as a key middleman in the deals. Justice Department and Swiss officials have said Secord is

under criminal investigation in connection with two Swiss bank accounts that may have been used in diverting those profits to aid the Contras.

Government sources have said Secord assisted then-National Security Council aide Lt. Col. Oliver North in setting up the Iranian arms deals as well as diverting those profits into a resupply operation for Contras fighting Nicaragua's leftist government.